

EXHIBIT C

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549-1004**

FORM 10-Q

- ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2005
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE
ACT OF 1934**
For the transition period from to .

Commission file No. 1-14787

DELPHI CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

38-3430473
(IRS employer identification number)

5725 Delphi Drive, Troy, Michigan
(Address of principal executive offices)

48098
(Zip code)

(248) 813-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

As of June 30, 2005 there were 561,415,901 outstanding shares of the registrant's \$0.01 par value common stock.

**DELPHI CORPORATION
INDEX**

Page

Part I — Financial Information

<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>	
	<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2005 and 2004</u>	3
	<u>Consolidated Balance Sheets at June 30, 2005 and December 31, 2004</u>	4
	<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2005 and 2004</u>	5
	<u>Notes to Consolidated Financial Statements</u>	6
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	37
<u>Item 4.</u>	<u>Controls and Procedures</u>	37

Part II — Other Information

<u>Item 1.</u>	<u>Legal Proceedings</u>	38
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	38
<u>Item 5.</u>	<u>Other Information</u>	38
<u>Item 6.</u>	<u>Exhibits</u>	39
<u>Signature</u>		41
<u>Section 302 Certification</u>		
<u>Section 302 Certification</u>		
<u>Section 906 Certification</u>		
<u>Section 906 Certification</u>		

- (c) Excludes Second Quarter 2004 Charges of \$11 million for Dynamics, Propulsion, Thermal & Interior, \$24 million for Electrical, Electronics & Safety, \$8 million for Automotive Holdings Group and \$3 million for Other.
- (d) Excludes the 2004 Charges of \$42 million for Dynamics, Propulsion, Thermal & Interior, \$44 million for Electrical, Electronics & Safety, \$43 million for Automotive Holdings Group and \$7 million for Other.

11. COMMITMENTS AND CONTINGENCIES

Ongoing SEC Investigation

As previously disclosed, Delphi is the subject of an ongoing investigation by the Staff of the Securities and Exchange Commission ("SEC") and other federal authorities involving Delphi's accounting for and the adequacy of disclosures for a number of transactions dating from Delphi's spin-off from GM. Delphi is fully cooperating with the SEC's ongoing investigation and requests for information as well as the related investigation being conducted by the Department of Justice. The Company has entered into an agreement with the SEC to suspend the running of the applicable statute of limitations until April 6, 2006. Until these investigations are complete, Delphi is not able to predict the effect, if any, that these investigations will have on Delphi's business and financial condition, results of operations and cash flows.

Shareholder Lawsuits

Several class action lawsuits have been commenced against Delphi, several of Delphi's subsidiaries, certain current and former directors and officers, General Motors Investment Management Corporation (the named fiduciary for investment purposes and investment manager to Delphi's employee benefit plans), and several current and former employees of Delphi or Delphi's subsidiaries, as a result of its announced intention to restate its financial statements. These lawsuits fall into three categories. One group has been brought under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), purportedly on behalf of participants in certain of the Company's and its subsidiaries' defined contribution employee benefit pension plans who invested in the Delphi Common Stock Fund. Plaintiffs allege that the plans suffered losses due to the defendants' breaches of fiduciary duties under ERISA. To date, the Company has been served in thirteen such lawsuits and is aware of an additional two that are pending. All pending cases have been filed in the U.S. District Court for the Eastern District of Michigan.

The second group of purported class action lawsuits variously alleges that the Company and certain of its current and former directors and officers made materially false and misleading statements in violation of federal securities laws. To date, the Company has been served in three such pending lawsuits and is aware of five additional lawsuits. The lawsuits are currently pending in the U.S. District Court for the Southern District of New York and the U.S. District Court for the Southern District of Florida.

The third group of lawsuits pertains to three shareholder derivative cases and a demand. To date, certain current and former directors and officers have been named in three such lawsuits. One is pending in Oakland County Circuit Court in Pontiac, Michigan, a second is pending in the U.S. District Court for the Southern District of New York, and a third is pending in the U.S. District Court for the Eastern District of Michigan. In addition, the Company has received a demand letter from a shareholder requesting that the Company consider bringing a derivative action against certain current and former officers. The derivative lawsuits and the demand that the Company consider further derivative action are premised on allegations that certain current and former officers made materially false and misleading statements in violation of federal securities laws. The Company has appointed a special committee of the Board of Directors to consider the demand.

Due to the preliminary nature of these cases, the Company is not able to predict with certainty the outcome of this litigation or the Company's potential exposure related thereto. Although Delphi believes that any loss that the Company would suffer under such lawsuits should, after payment of a \$10 million deductible, be covered by its director and officer insurance policy, it cannot assure that the impact of any